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C R E A  
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**STRONGER ARTS  
AND CULTURAL  
ORGANISATIONS  
FOR A GREATER  
SOCIAL IMPACT**

## **CREATIVE LENSES**

Catalyst programme  
Case study

**PATRICIA PARDO  
COMPANY**

Authors  
Lucy Kimbell and Sarah Rhodes

# CREATIVE LENSES

## Catalyst programme

### Case study

# PATRICIA PARDO COMPANY

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Creative Lenses is a four-year project, running from 2015 to 2019, that seeks to make arts and cultural organisations more resilient and sustainable by improving their business models and developing their long-term strategic and innovation capacities.

To find out more about Creative Lenses and its publications, visit [www.creativelenses.eu](http://www.creativelenses.eu)



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### Introduction

This case study explores changes made by Patricia Pardo Company, a performing arts company based in Valencia, Spain, as a result of thinking about its business model and the challenges encountered as part of the process. Business model is a contested term, but the following definition captures the essence of the idea:

*A business model describes an organisation’s activities and assets and the ways that they are combined to create value for the organisation itself, for individuals and for society.*

This definition highlights that business models are not all about money-making. Business models are to do with how organisations combine resources to create and capture financial and other forms of value within different institutional logics. Creating a successful business model requires finding people, funders and partners that value what an organisation does and are willing to enter into financial or other exchanges to access it: directly, as a user or customer, or indirectly, as a funder, partner or donor.

There are several possible ways of describing business models. This case study uses a combination of dominant approaches in order to detail the important parts of the organisation as well as the relationships and behaviours that have enabled it to succeed over time. To situate the business model within its context, the case study highlights the mix of political, economic, social and technological factors informing existing business models whilst also indicating instances where contextual factors call for adjustments to the existing model or a shift between one model and another. Throughout the case study, the role of institutional logics, organisational cultures and personal motivations in shaping business model design and choices of how to change or modify business models comes into the frame.



This case study is one of eight written as part of Creative Lenses (2015-2019), funded by Creative Europe. As part of the project, the partners designed and implemented a series of eight ‘Catalyst’ projects in 2017-2018, during which an arts and cultural organisation was provided with resources to make changes. The project did not prescribe any particular type of change, leaving organisations to identify their own priorities and objectives. For Patricia Pardo Company the resources provided were: financial support (€11,750), mentoring support from Creative Lenses partners and a series of workshops attended by all the organisations and mentors.

As a kind of action learning, the research applied an analytical lens to the practices and experiences of the organisations participating in the Creative Lenses Catalyst Programme. The purpose of the research was to understand what approaches were taken to business model change and why, and to question how organisational cultures and institutional logics have shaped and been shaped by the process. The research explores the relationship between the frameworks of values underpinning cultural work, the organisation’s particular mission and the need to produce sufficient income. Data were gathered through interviews, site visits, participation in workshops and document analysis. The case study was written by academic researchers and was reviewed by members of the organisation and its mentors.



## Being Business-like to Sustain Creative Experimentation

Patricia Pardo Company is a small independent contemporary theatre company based in Valencia, Spain, organised around the creative practices of performer, writer and director Patricia Pardo. Channelling a political vision about how the arts can contribute to social change, the company has reorganised in order to be able to develop opportunities to create more innovative, experimental performances. The case reveals tensions in how artistic and financial priorities and differences between individual and organisational identity are negotiated.

*The key learning points from this case are:*

- Cultural organisations need to make enough money to sustain their practice and so experiment with new ways of organising their business but this does not necessarily represent a move away from their values
- Business model change does not have to be framed as being competitive; it can also serve collective ends and advantage several cultural organisations
- Performing arts companies based around a single individual have to negotiate differences between individual identities, skills and roles

## Organisational Overview

Patricia Pardo has been working as a clown, writer, director and educator for 20 years based in Valencia, Spain. Patricia’s initial aim in establishing Patricia Pardo Company (now a limited company, Patricia Pardo Ltd.) a decade ago was to create more innovative, experimental and personal performance works without the constraints of being employed by others.<sup>1</sup> Her work is politically driven, aiming to challenge heteropatriarchy and social inequality through the arts. As she puts it, ‘Socialism should have replaced self-help books but it has not’.<sup>2</sup> It is this political motivation that underpins and drives the work of the company and its response to its context and to public funding:

*‘[P]ublic funds [are] not a personal gift, but it gives me the opportunity of working for the audience (society) easily, [so] that my art reaches out more people. This project reminds me how difficult it is sometimes to marry up the artistic egocentrism and the artistic and social mission that should prevail.’<sup>3</sup>*

<sup>1</sup> For the purposes of this report, Patricia Pardo the organisation will be referred to as ‘the company’ and Patricia herself as ‘Patricia’.

<sup>2</sup> Unpublished project report, 2017.

<sup>3</sup> Unpublished project report, 2017.

## Organisational Background

Patricia combines her performing arts practice with teaching at educational institutions including the University of Valencia and with script-writing for television. She has spent the last decade experimenting and developing an individual identity and language as a performer. She has sought to reinforce and expand this identity by expanding to running a company to sustain her artistic practice. Input from support programmes, including Creative Lenses, has provided insight and catalysed action. In 2015 the company was part of a European Union funded business mentoring programme.<sup>4</sup> This helped the organisation to design and implement a growth strategy with a focus on internationalisation. The mentoring included formally reflecting on and developing the organisation’s mission and vision:

*‘The vision is to create more innovative, experimental and personal works of performing arts, and to do so, Patricia Pardo, the main artist and founder of the company decided to stop working for others’ projects and create her personal project.’<sup>5</sup>*

Before this intervention, the company’s mission and vision was decided ‘intuitively’, according to a member of the team. Patricia described her mission as follows:

- To create performances with aesthetic and political commitment
- To share these plays with heterogeneous audiences (economically, socially, culturally and geographically speaking)
- To teach theatrical writing, clown and physical theatre to professionals and amateurs, including in personal and creative thinking about the arts, the topics of the productions, and engagement with audiences
- To help performing art workers to get decent incomes through recruitment in my company
- To promote performing arts as a project of personal and cultural development by raising critical awareness of reality and the artistic practice, by encouraging people to enjoy beauty and by awakening feelings in the audience, students, colleagues<sup>6</sup>

## Current Business Model

The company has two part-time employees, an administrator who works ten hours a week and an international manager who works 20 hours a week. Depending on the productions that are in development and touring,

the company variously employs up to eight actors and performers. The team note that in Valencia, a city of about 800,000 people, performing arts organisations have a precarious existence, so it is unusual for a small company of this size to provide employment for two people, even part-time.

The company is based in a working class neighbourhood of Valencia and rents a small office, storage and rehearsal space from a local landlord. Its main activities include the creation and touring of theatre and clown performances, playwriting for other companies, teaching clown, theatre and playwriting and TV script-writing. In addition, it also periodically sublets the rehearsal space to other theatre companies. On average the company produces one production a year, which shows at various venues in Valencia and tours both nationally and internationally. Patricia values the networking and opportunities to see contexts that international travel brings, having toured Mexico, Honduras, Nicaragua and Iceland.

One key partnership is with Espacio Inestable, a theatre venue in Valencia, with which they have residencies and co-produce productions. Patricia also has an established network within the television and education sectors and a strong reputation with other companies looking to her as an expert.<sup>7</sup> The touring she has done over the years has given her experience and understanding of how the performing arts sector operates, as well as raising her profile and prestige with her peers. Within the local context, Patricia’s name as an artist is prominent, particularly when promoting new work.

About half the company’s budget is sourced directly from public grants and the other half from resources such as independent and public theatres, whose income ultimately derives in part or wholly from public finances. Like other performing arts companies, the company negotiates arts funding across various levels - local, regional, national and transnational government, each with its own policy and funding priorities. The company is influenced by these, not in terms of the content and issues that their work addresses, but more in terms of the language or resources they use. One member of the team explains:

*‘For example, when applying for a public grant, we know there are some criteria that add some value to our project, such as using the regional language (for the regional government), or hiring an artistic crew that is local, or stressing the presence of women in the artistic roles of a play (the playwright, actress, stage director...), or offering a show that is adapted to all kinds of audiences, or including some social agent whether on the result or the creation process of a show.’<sup>8</sup>*

<sup>4</sup> Scale Up was a European Union funded mentoring programme led by the Valencian Institute of Business Competitiveness in collaboration with the European Center for Innovative Enterprises of Valencia with the

aim of increasing the competitiveness of local SMEs.  
<sup>5</sup> Unpublished project document, 2017.  
<sup>6</sup> Unpublished project document, 2017.

<sup>7</sup> Interview, Valencia, 2018.  
<sup>8</sup> Unpublished project document, 2017.





Annual turnover was €107,000 in 2017 (€80,658 in 2016) and the company receives the majority of its funding from the city council. Here competing priorities of the central Spanish government and the autonomous regional government in the Valencia region play out. The regional government and city actively promote culture, seeing it as a tool to engage citizens and build a sense of community, so the company finds it easier to find local and regional funding for theatre produced in Valencia than to get funding from Madrid.

### Organisational Culture and Values

Central to the company is an artistic mission to provide people with 'a moment of beauty, reflection and thought ... access to culture is a right that every citizen should have'.<sup>9</sup> While the company is set up as a business, Patricia does not feel that the company operates as a business or an enterprise. Instead she describes it as a public service, which should be state supported, or at least receive benefits from the state for example in the way it is taxed.<sup>10</sup>

Patricia's political commitments and view of the role of the arts in society inform her opinion that the state and other public authorities should subsidise, if not totally fund, cultural organisations. However she acknowledges a contradiction in her beliefs:

*'Sometimes, I would like to be free of government programs, bureaucracy and cultural programmers, and to be able to create a self-sustaining structure that only depends on the audience, economically but also in terms of managing the company. However, on the contrary, I think it is the government who has the duty to sustain culture and artistic workers (differently from how it is done nowadays).'*<sup>11</sup>

She is explicit that her long-term goal for the company to work towards shaping cultural policy, changing the Spanish government's current approach to culture to one that is more supportive, providing resources and capacity beyond, as she describes it, strict business parameters.

### Managing Business Model Change

Over the years, as is common for many self-employed cultural practitioners, Patricia has subsidised her business, mainly with loans from her family to ensure its survival. She describes the pressure to be financially viable as constant. It's not something that has increased in recent years, it has always been there. Again, in common with other performing artists, she feels a tension between her artistic work and the need to earn a living. She describes this as having to be prepared to adapt to precarious and fluctuating circumstances without accepting work that she doesn't want to do or is against her values.

One member of staff at the company defines a business model as 'the way a company with a specific mission creates, shares and gets value', reproducing a phrase used within business model research.<sup>12</sup> However, Patricia's own notions of business model are very much underpinned by her social and political values:

*...before naively thinking that a good business plan can make an artistic project succeed, we should ask ourselves:*

*What is success for the system we live in?*

*What performing creations (products) does the system allow to be successful?*

*What context of performing arts consumption does exist in my region, country, continent and world?*

*How do politicians and society understand culture: consumer goods, cultural industry, entertainment, crafts, fundamental right of personal development, public goods (such as education or health), etc.?*

*How does the state support, therefore, the humanistic or industrial character that it has given to the art?*

<sup>9</sup> Interview, Valencia, 2018.

<sup>10</sup> Interview, Valencia, 2018.

<sup>11</sup> Unpublished project document, 2017.

<sup>12</sup> Helsinki workshop, 2017

*How is a hierarchical dichotomy created in which there are a group of overvalued and overrated artistic forms linked with entertainment/spectacle (football/Hollywood cinema, fashion, Formula 1, big musicals, circus and theatrical productions...) versus undervalued artistic forms such as underground art, minority and researched proposals, which appeals to the metaphor, the beauty, the complaint? To what social class should we relegate the performer/artistic workers?*<sup>13</sup>

Patricia's critical perspective about how cultural value is understood and her socio-political stance is fully present in these polemical questions. They indicate her awareness of the tension between wanting artistic freedom and the reality of the political context that she has to operate within. As she puts it: 'The context pollutes the individual'.<sup>14</sup>

Like other small independent performing arts organisations, the company has negotiated a pathway through the shifting landscape of resources, both formal public funding policies, structures and processes, and the networks of organisations, venues and artists, with their own resources. Reflecting on the concept of organisational sustainability, one team member describes it as 'getting the same (or bigger) amount of resources that the organisation needs, at the right time, and on a regular basis that can allow [us] to plan and focus on future projects'.<sup>15</sup> Patricia is explicit about the precariousness of her company. She uses the metaphor of a tightrope walker when describing the company's long-term sustainability:

*'I feel we are always over a fragile thread (or threat!) of a funambulist. Our political context and the support to the culture are very precarious and it's not very articulated. We [would] like to find ways [through Creative Lenses] of improving how to finance the projects, or understanding how the context allows or not the funding of these.'*<sup>16</sup>

This conflict – the ongoing tug of war between making art versus making money - is common in small, often precarious cultural organisations. Its creative work is often grounded in socio-political values and led by an artistic mission or drive, rather than maintaining a focus on income generation or profits.

In this company, as well as leading the artistic direction of the organisation Patricia is responsible for business development, although she has no formal business training. She is also very involved in other business decisions. 'It's her project, every decision is made by her or has to go through her',

says one member of the team.<sup>17</sup> However this person stressed that Patricia does take into account employees' opinions and asks them for advice when making decisions. The tension between art and money plays out in the responsibilities in the team. One member of staff described it as her job to look after finances, for example by doing financial management and accounting, in contrast to Patricia's artistic and emotional input. This tension plays out in how the organisation responds to opportunities.

### Creative Lenses Catalyst project

As part of the Creative Lenses project, with its focus on business model change and organisational sustainability, the company used the resources provided to concentrate on four activities during 2017-2018. The first set of activities relates directly to the organisation's structure and processes, and the second two are concerned with partner and audience development. In each area, the company identified potential actions in discussion with their Creative Lenses mentor, building on earlier dialogues and business support and drawing on their own learning over ten years of operating. Most of these actions enabled a consolidation within the organisation, while the audience development activity allowed the company to experiment.

#### Catalyst Project Action One: Changing the Organisational Structure

In terms of organisational structure, the key actions were changing the legal structure of the company, hiring an accountant and establishing a distribution agency to support marketing and booking.

Previous to the Creative Lenses project, Patricia Pardo Company was in effect a brand for Patricia's creative professional work. During the period of the Creative Lenses project, she decided to form a limited liability company. Changing the legal status of the company from that of a sole trader to a limited company increased the office's administrative workload, in order to comply with legal and accounting regulations. A related action was contracting an external accountant to take responsibility for book-keeping and accounting. This decision has resulted in a steep learning curve for the organisation. Initially the team found this change was more time consuming than they anticipated.<sup>18</sup> However, they then realised that they were dealing with different people in the accounting firm. Once one accountant was put in charge of their account, this reduced the amount of time they spent briefing the firm and has led to the anticipated benefits such as freeing up staff time. Additionally, the Company has learnt to question the service they get when working with external suppliers.

<sup>13</sup> Unpublished project document, 2017.

<sup>14</sup> Unpublished project document, 2017.

<sup>15</sup> Helsinki workshop, 2017.

<sup>16</sup> Unpublished project document, 2017.

<sup>17</sup> Interview, Valencia, 2018.

<sup>18</sup> Interview, Valencia, 2018.

While the organisational structure has changed, roles and responsibilities across the small team in the company are still being negotiated. Tacit knowledge is a common characteristic of sole traders or organisations with a leader or founder, who carries with her the knowledge, experience and understanding of the work, context, partners and channels to engage with others and to co-produce and distribute productions. Whilst this can be shared across a team, the creation and use of such knowledge and experience is often organic. Effective working can be at risk if this person is out of action for a while or leaves the organisation. The company went through this, resulting in a period of unexpected flux when Patricia became a mother for the first time. She took time out from touring performances, and shifted the emphasis of her work to screenwriting for local TV. It is yet to be determined what long-term effect, if any, Patricia’s temporary change of focus will have.

**Catalyst Project Action Two: Forming a Distribution Agency**

The second action relating to organisation change was establishing L’Estiba Cultural, an agency set up legally in the form of an association to promote and market performance work. This is made up of four Valencia-based performance companies; Fil d’Arena (dance theatre), La Família Política (theatre), A Tiro Hecho (physical theatre) and Patricia Pardo Company. L’Estiba Cultura is structured as a cultural association. Its aim is to act as a bridge between the companies and commissioning platforms such as festivals. Each company works with a slightly different artform, although they all share similar socio-political views. Working as a collective is expected to drive down the cost of marketing. A shared approach to promotion, as opposed to a competitive stance, underpins this.

In order to help its members distribute their productions, L’Estiba Cultural established a website and employed a part-time manager, whose salary is paid from a percentage of income from their performances.<sup>19</sup> Together the four organisations can capitalise and build on each organisation’s networks. As a group, it is easier for them to work more effectively together, promoting a varied offer to cultural programmers. L’Estiba Cultural reduces the administration team’s workload. The company anticipates this distribution channel will open up access to new venues and festivals in Spain and internationally, as well as increasing the company’s visibility in the media and its income.

<sup>19</sup> <https://lestibacultural.com>

**Catalyst Project Action Three: Creating a Publication**

A third action taken by the company was writing and publishing a book about its work. This publication, based on two decades of Patricia’s performance work, was initially written in the regional language and published in a run of 150 copies and then reprinted. This was later presented at a performing arts fair in Alcoi, Spain, to an audience of programmers who reacted in a very positive and interested way. Another version was printed in Spanish.

**Catalyst Project Action Four: Creating Accessible Performances**

The Company worked with a charity to adapt an existing performance for hearing-impaired audiences. One reason for this decision to focus on these audiences was anticipation that it would allow the company to access new sources of funding. This was a response to local government making funds available with the aim of widening participation in the arts. But the second reason for the focus on hearing-impaired audiences was that Patricia was in the process of adopting a child who was possibly hearing-impaired, so had an emotional motivation to work with this kind of audience. This decision, then, fused both a financial rationale, responding to arts funding, as well as a personal one.

To realise this opportunity, the company developed an interpretation of one of their previous shows that could be enjoyed by ‘a group of people that in our context in Valencia is hardly often considered in the cultural offer’, according to one member of the team.<sup>20</sup> The charity advised them on which pieces would be best to interpret and shared experiences of working with other performance groups. The company selected one of their most visual shows with minimal text and worked with a lighting and sound technician who developed new scenery for the show. They premiered this show with a hearing-impaired audience of 30 people, where it was very positively received. They followed with showing the piece at an inclusive arts festival in Barcelona, adding new elements such as balloons for the audience to feel the sound through. They plan to tour this version in small festivals, both nationally and internationally, and develop it further with other audiences.

**Results and Discussion**

These actions made differences to the way the company operates and are new for the organisation. The company had considered making some of these changes in the past, such as changing its legal structure and employing an accountant. Here, the Creative Lenses project was a driver for the Company to carry out these plans but the long term results are difficult to judge.

<sup>20</sup> Unpublished project document, 2018.



In the case of this organisation, reconstituting it legally as a limited company, common in business, did not make it ‘business-like’. Further, the responsibilities for decision making about artistic, operational, financial and other matters remain distributed unevenly across the small organisation. Patricia herself is the main decision maker, and brings artistic expertise and personal and political commitments to the organisation, but financial management is the responsibility of a part-time member of the team and outsourced to accountants. The rationale for forming a business, combining Patricia’s various work streams and sources of income, was to enable experimentation and innovation. On the one hand, creating a business with its own organisational identity might lessen the focus on one individual. But on the other, without Patricia herself always available to lead the organisation, then its direction and ability to live up to these aims are in question.

The mentoring, alongside meeting with the other organisations involved in Creative Lenses and events such as partner conferences provided valuable opportunities for the three members of the team to learn from others and reflect on their own organisation. The two employees are in agreement that it allowed them to see things clearly within the whole organisation, which their daily work did not previously allow for. They acknowledge the importance of viewing their work holistically and how important it is to share ideas and clearly defining what they do. One reported how these activities gave them confidence and motivation, as well as forcing better internal communication between the three of them. Discussion with outside experts, whether mentors, accountants or audience development consultants, has given the team shared confidence in what they are doing.

Adapting its work for a different audience has been a learning experience for the organisation. It allowed them to understand the value of starting a dialogue with their target audience at the beginning of the creative process. The resulting production has opened up their work to new audiences, festivals and venues. It has also given them access to new types of grants and increased visibility. For the company, this experiment has reinforced its artistic voice and shown that new audiences, other languages and formats can be part of the company’s work. For Patricia herself, these developments enabled her to have more realistic expectations about the business, which has stabilised, with better systems in place to manage and report finances.<sup>21</sup> The consolidation and experimentation at Patricia Pardo Company provide insights into how the tensions between an artistic mission and the need to be financially sustainable can play out. Reflecting on the achievements during the year, one member of staff commented: ‘Creative Lenses has given us the

<sup>21</sup> Interview, Valencia, 2018.

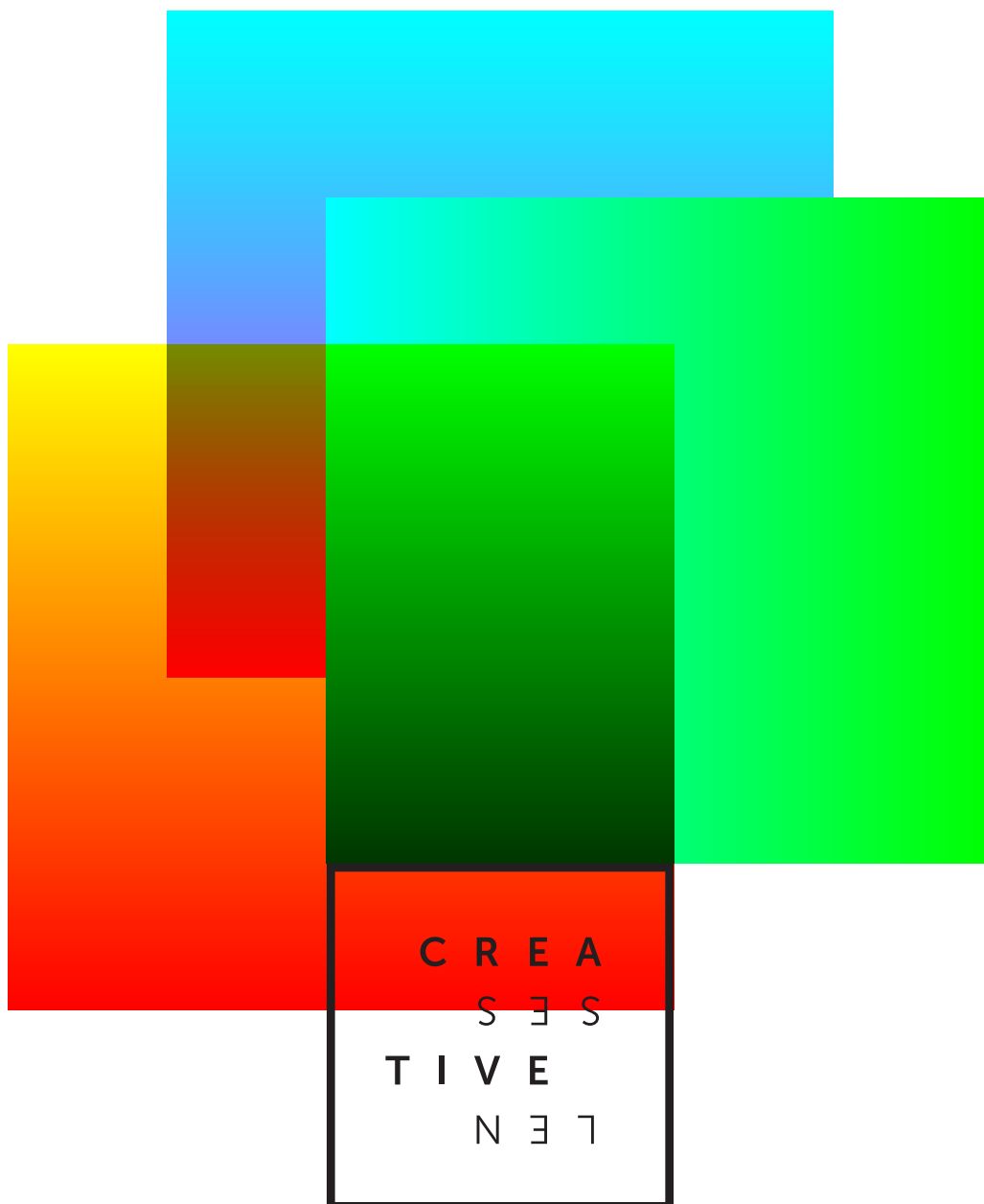
opportunity to analyse, reflect and think about possible ways to reduce this non-resolved tension (search for a more efficient organisational structure and use of the company’s resources, opening to new audiences, etc.). However, after the [Catalyst] program, this tension is still sharply present. The reasons [for] this may be, on the one hand, that this constant tension is intrinsic to art and culture; on the other hand, that Creative Lenses was offering the grounds to open the dialogue and analysis of the nature of this opposite forces, but it has not been able to answer in a deep and specific way the needs of each of the catalysts.’<sup>22</sup> It would appear that there is no simple answer to questions of competing demands. In the messy world of practice, open dialogue and reflection may be the best way of negotiating these challenges.

<sup>22</sup> Communication with research participant, 2018.

### ABOUT THE AUTHOR

**Dr Lucy Kimbell** is professor of contemporary design practices and director of the Innovation Insights Hub at University of the Arts London. She is also associate fellow at Said Business School, University of Oxford. Her expertise is in design thinking and the use of design to address social and policy issues. Lucy led UAL’s contributions to Creative Lenses which included research, knowledge exchange, evaluation and training. Current funded projects include developing ‘smart regulation’ to address the challenge of anti-microbial resistance in India and exploring the potential for AI in professional services firms.

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